

AR37

Quebec
Manitou
Mines
Limited

annual report—1976

QUEBEC MANITOU MINES LIMITED

OFFICERS	D. L. Marcus President
	F. J. McDonald Vice-President
	I. A. McEwan, Q.C. Secretary
	J. E. Wild, C.A. Treasurer
DIRECTORS	H. E. Clark Montreal, Quebec
	G. S. Hedger Ottawa, Ontario
	D. L. Marcus Ottawa, Ontario
	F. J. McDonald Ottawa, Ontario
	M. J. Murray Ottawa, Ontario
AUDITORS	Deloitte, Haskins & Sells Ottawa, Ontario
BANKERS	Canadian Imperial Bank of Commerce Ottawa, Ontario
REGISTRAR AND TRANSFER AGENT	Canada Permanent Trust Company Toronto, Ontario
SHARE LISTING	Toronto Stock Exchange Toronto, Ontario
HEAD OFFICE	Suite 2005, 130 Albert Street Ottawa, Ontario

ANNUAL MEETING

11:00 A.M. — 21 June, 1977

Salon Frobisher, Chateau Laurier Hotel,
Major Hill Park, Ottawa

QUEBEC MANITOU MINES LIMITED

REPORT OF THE DIRECTORS

To the Shareholders :

Your directors submit herewith their report together with the audited financial statements of your Company for the year ended 31 December, 1976.

It is anticipated that your Company will participate in two exploration programmes during the year, details of which will be provided to shareholders when the programmes are finalized.

As a result of a recent announcement by the Quebec Government that it will launch a 5 year \$65 million copper exploration programme in northwestern Quebec, consideration is being given by Louvem Mining Company to conducting further exploration work on our copper claims in Bourlamaque Township which are held under option by Manitou-Barvue Mines Limited.

On behalf of the Board of Directors

D. L. MARCUS
President

18 May, 1977

QUEBEC MANITO*(Under The Business)***BALANCE SHEET AS***(with prior year's)***ASSETS****1976****CURRENT ASSETS:**

Cash.....	\$ 10,930
Other investments — at nominal value.....	
Total current assets.....	10,930

OTHER ASSETS:

Investments in marketable securities — at cost (Note 1).....	332,280
Furniture and fixtures.....	100
Mining properties and rights (Note 2).....	197,623
Deferred exploration and development expenditures (Note 3).....	580,931
TOTAL.....	\$1,121,877

LIABILITIES AND SHAREHOLDERS' EQUITY**CURRENT LIABILITIES:**

Accrued charges.....	\$ 6,715
Unclaimed dividends.....	641
Total current liabilities.....	7,356

SHAREHOLDERS' EQUITY:

Capital stock:	
Authorized:	
6,000,000 shares without par value (Note 4)	
Issued and fully paid:	
4,366,000 shares.....	922,838
Retained earnings.....	191,683
Total shareholders' equity.....	1,114,521
TOTAL.....	\$1,121,877

Approved by the Board:

D. L. MARCUS, Director

M. J. MURRAY, Director

The accompanying notes are an integral part of the financial statements.

MINES LIMITED

orations Act, Ontario)

DECEMBER 31, 1976

s for comparison)

1975

\$ 3,759

1

3,760

332,286

100

197,623

580,931

\$1,114,700

\$ 7,064

641

7,705

922,838

184,157

1,106,995

\$1,114,700

AUDITORS' REPORT

To the Shareholders of
Quebec Manitou Mines Limited :

We have examined the balance sheet of Quebec Manitou Mines Limited as at December 31, 1976 and the statements of income and retained earnings, changes in financial position and deferred exploration and development expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1976 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

DELOITTE, HASKINS & SELLS
Chartered Accountants

Ottawa, Canada
February 23, 1977

QUEBEC MANITOU MINES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS	1976	1975
For the year ended December 31, 1976 (with prior year's figures for comparison)		
INCOME:		
Interest.....	\$ —	\$ 1,050
Proceeds from granting of option.....	25,000	—
Total income.....	<u>25,000</u>	<u>1,050</u>
EXPENSES:		
Administrative.....	7,914	6,047
Transfer agent's fees.....	2,547	2,508
Legal and audit.....	5,122	10,546
Annual meeting.....	1,891	1,902
Exploration, development and other costs incurred on mining claims abandoned during the year.....	—	11,372
Total expenses.....	<u>17,474</u>	<u>32,375</u>
INCOME (LOSS) BEFORE INCOME TAXES AND EXTRA- ORDINARY ITEM.....	7,526	(31,325)
PROVISION FOR INCOME TAXES.....	2,032	—
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM.....	5,494	(31,325)
EXTRAORDINARY ITEM — reduction of income taxes resulting from application of deferred exploration and development expendi- tures.....	2,032	—
NET INCOME (LOSS) FOR THE YEAR.....	7,526	(31,325)
RETAINED EARNINGS AT BEGINNING OF THE YEAR.....	184,157	215,482
RETAINED EARNINGS AT END OF THE YEAR.....	<u>\$191,683</u>	<u>\$184,157</u>

The accompanying notes are an integral part of the financial statements.

QUEBEC MANITOU MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

1976

1975

For the year ended December 31, 1976
(with prior year's figures for comparison)

SOURCE OF WORKING CAPITAL:

Interest received.....	\$ —	\$ 1,050
Proceeds from granting of option.....	25,000	—
Total.....	<u>25,000</u>	<u>1,050</u>

USE OF WORKING CAPITAL:

Administrative and general expense.....	17,474	21,003
Exploration and development — net.....	—	11,356
Total.....	<u>17,474</u>	<u>32,359</u>

INCREASE (DECREASE) IN WORKING CAPITAL FOR THE YEAR **7,526** (31,309)

WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF THE YEAR..... **(3,945)** 27,364

WORKING CAPITAL (DEFICIENCY) AT END OF THE YEAR..... **\$ 3,581** **\$ (3,945)**

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

1976

1975

For the year ended December 31, 1976
(with prior year's figures for comparison)

BALANCE AT BEGINNING OF THE YEAR.....	\$580,931	\$579,747
ADD EXPENDITURES FOR THE YEAR.....	<u>—</u>	<u>11,356</u>
	580,931	591,103
DEDUCT EXPENDITURES ON CLAIMS ABANDONED DURING THE YEAR.....	<u>—</u>	<u>10,172</u>
BALANCE AT END OF THE YEAR.....	<u>\$580,931</u>	<u>\$580,931</u>

The accompanying notes are an integral part of the financial statements.

QUEBEC MANITOU MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1976

1. Investments in Marketable Securities

Investments include 954,427 shares of Manitou-Barvue Mines Limited, which represent a 25% interest at a cost of \$324,394 and with a quoted market value at December 31, 1976 of \$668,099 (1975 – 954,427 shares, with a quoted market value of \$706,276). Because of the number of shares involved the quoted market value of the investment in Manitou-Barvue Mines Limited is not necessarily indicative of the amount which would be realized if this investment were sold.

2. Mining Properties and Rights

The company holds the following mining properties and rights:

- (a) A fixed 17½% non-assessable interest is held in 55 mining claims in Langmuir Township, Ontario, valued at a net cost of \$18,464.
- (b) 24 mining claims in Bourlamaque Township, Quebec, carried at costs to date, which do not necessarily reflect present or future values, which may be more or less than \$173,804. In consideration of \$25,000, an option to Manitou-Barvue Mines Limited to develop and place into production these Bourlamaque Township mining claims at no additional obligation or expense to Quebec Manitou Mines Limited, was extended until June 30, 1981. Under the option agreement, after Manitou-Barvue Mines Limited is reimbursed for all funds expended by it to bring the property into production, Manitou-Barvue Mines Limited is required to issue to the company an additional 35,000 shares of Manitou-Barvue Mines Limited. When Manitou-Barvue Mines Limited has received an additional sum of \$100,000, further revenue and interests are to be shared 25% by Quebec Manitou Mines Limited and 75% by Manitou-Barvue Mines Limited.
- (c) An option to explore and develop 20 mining claims in Duplessis Township, Quebec. This option was obtained at a cost of \$5,355 and expires on May 1, 1979 by which time the company may elect to bring the mining claims into production and to pay to the owner a royalty of 15% of the mining profits.

3. Deferred Exploration and Development Expenditures

These costs relate to the mining properties described in Note 2, above.

4. Authorization of Capital Stock

During the current year, the company increased its authorized capital by the addition of 1,000,000 shares without par value.

5. Losses Carried Forward

The company has available for income tax purposes, losses carried forward of \$83,521 and deferred exploration and development expenditures of approximately \$1,100,000. The losses expire as follows:

<u>Year</u>	<u>Loss</u>
1977.....	\$10,426
1978.....	10,766
1979.....	24,902
1980.....	19,953
1981.....	17,474
	<u>\$83,521</u>

6. Remuneration of Directors and Senior Officers

The total remuneration paid to directors and senior officers, as defined by The Business Corporations Act, Ontario, for the year ended December 31, 1976 was \$3,500 (1975 – \$3,200).

